§ 1021-b. North Country power authority. 1. A corporation known as the North Country power authority is hereby established and charged with the duties and having the powers provided in this title. The authority shall be a state authority, a body corporate and politic constituting a public benefit corporation, a political subdivision of the state, exercising governmental and public powers, perpetual in duration, capable of suing and being sued and having a seal, and which shall have the powers and duties enumerated in this title, together with such others as may be conferred upon it by law.

2. The authority shall be governed by a board of directors consisting of nine directors, to be residents of the service area, and to be appointed by the governor. Seven such directors shall be appointed upon the recommendation of the supervisors and mayors of the municipalities within the following regions, with the designations to be made in the following manner: the village of Potsdam will designate one designee to be forwarded to the governor; the village of Canton and the town of Canton will jointly designate one designee to be forwarded to the governor; the towns of Bombay, Brasher, Fort Covington, Moira and Westville will jointly designate one designee to be forwarded to the governor; the towns of Fowler and Gouverneur will jointly designate one designee to be forwarded to the governor; the towns of Lisbon, Louisville, Madrid, Norfolk and Waddington will jointly designate one designee to be forwarded to the governor; the towns of Potsdam, Stockholm, Colton and the village of Norwood will jointly designate one designee to be forwarded to the governor; and the towns of DeKalb, Edwards, Hermon, Russell and Pierrepont will jointly designate one designee to be forwarded to the governor. Every decade the directors shall examine the population of the seven regions, and if needed, adjust the make-up or demarcation of the regions, for the necessity or convenience of performing its functions and administering its affairs and to maintain a reasonable equality of population between the regions. The governor shall select one of the directors to serve as chair, and such chair shall serve at the pleasure of the governor. The term of office of a director, including the director serving as chair, shall be five years, but in the first instance such directors shall be appointed to hold office as follows: three for one year; three for three years;

and three for five years. Upon resignation of a director, or a vacancy occurring in any other manner, such vacancy shall be filled by appointment for the unexpired term. In other respects, all vacancies shall be filled in the manner corresponding to the original appointment. Each director shall continue to hold office and serve until a successor is appointed, qualified and assumes office.

3. The members of the board shall serve without compensation but shall be entitled to reimbursement of their actual and necessary expenses incurred in the performance of their official duties, as may be authorized by the directors, in each case upon appropriate documentation by the submitting director. No director or any entity, the majority of which is owned or controlled by any director, shall receive any additional compensation from NCPA or be employed by NCPA in any other capacity by whatever means.

4. Five directors shall constitute a quorum for the transaction of business, and the affirmative vote of five directors at a meeting shall be necessary to the validity of any resolution, order or determination. The directors, in by-laws or by resolution, may allow for attendance at a meeting of the directors by speaker phone or any other electronic means by which all meeting participants can hear one another.

5. The directors shall appoint an executive committee of not less than three directors and shall delegate such duties and responsibilities of the directors to the executive committee as it may determine from time to time, except that the directors shall not delegate to the executive committee the power to authorize the issuance of securities. The directors may appoint such additional committees with such duties and responsibilities as they may determine from time to time.

6. (a) The directors shall from time to time select such officers and employees, including a chief executive officer and such engineering, management and legal officers, and other professional employees, including but not limited to accounting, planning, construction, finance, appraisal, banking and trustee services, as the directors may require for the performance of their duties and shall prescribe the

duties and compensation of each such officer and employee.

(b) If any employees are hired as a consequence of an acquisition of the assets of National Grid, they shall be hired subject and be entitled to all applicable provisions of (i) any existing contract or contracts with labor unions and (ii) all existing pension or other retirement plans. Notwithstanding the provisions of any general, special or local law, the board may determine that such class of employees of the authority may elect to become members of the New York state employees' retirement system on the basis of compensation payable to them by the authority.

7. (a) The authority shall be subject in all respects to the general supervision and jurisdiction of the public service commission in the same manner as a municipal electric utility is subject to the jurisdiction of the public service commission under the public service law.

(b) The authority shall not make any commitment, enter into any agreement nor incur any indebtedness unless prior approval has been received from the New York state public authorities control board pursuant to article one-A of this chapter.

(c) In addition to all of the powers of the public service commission, prior to acquiring any property and commencing operations, the authority shall secure an order from the commission authorizing such acquisition and commencement. The commission shall have the power to deny the authority's application to acquire property and commence operations. The authority shall comply with any and all requests for documents, materials, and testimony that the commission may seek. The commission shall consider, including but not limited to, the following factors before issuing an order: ratepayer impacts; system reliability; environmental impacts, conservation of energy resources; preservation or creation of economic opportunities; power efficiency and availability; public health and welfare; and any other factor it deems relevant. The authority granted pursuant to this paragraph shall terminate upon commencement of distribution of power.

8. The authority and its corporate existence shall continue until terminated by law, provided, however, that no such law shall take effect

so long as the authority shall have securities outstanding, unless adequate provision has been made for the payment thereof.

9. In the event that the authority does not commence delivering electric power within ten years of the effective date of this title, the authority shall cease to exist and the provisions of this title shall be of no further force and effect, subject to the terms of any bonds, notes or other debt obligations then outstanding.